

COOPERATION AGREEMENT

between

Resources Energy, Inc.

and

The State of Alaska

This Cooperation Agreement is made and entered in this 23rd day of December, 2014, (the effective date) by and between Resources Energy Inc., a corporation organized and existing under the laws of Delaware, (hereinafter REI) and the State of Alaska (hereinafter SOA). (REI and the SOA are sometimes referred to herein individually as a "Party" and jointly as the "Parties").

WHEREAS, the North Slope of Alaska has approximately 200 trillion cubic feet (TCF) of conventional gas and 35 TCF of currently proven natural gas reserves in existing North Slope fields based on recent United States Geological Survey reports; and

WHEREAS, much of the upstream infrastructure is already in place on the North Slope, and hundreds of millions of dollars have been spent on critical engineering and environmental, regulatory and commercial work required for an LNG project in Alaska; and

WHEREAS, SOA is entitled to a significant amount of royalty gas from gas produced from the gas reserves; and

WHEREAS, SOA has been a stable source of supply of LNG for Japanese markets for more than 40 years; and

WHEREAS, SOA agrees that working with all potential customers for gas from Alaska is in the SOA's best interest; and

WHEREAS, SOA regularly engages with public entities and companies, both domestic and foreign, interested in Alaska's resources to provide information that will attract international investment and enhance cross border commerce; and

WHEREAS, the Alaska Department of Natural Resources has signed a Memorandum of Understanding with the Japan Bank for International Cooperation (JBIC) in December 2013, to promote financing for resource development projects in Alaska including an LNG export project and with the Ministry of Economy, Trade, and Industry (METI) in September, 2014, to exchange information for Alaskan LNG export to Japan; and

WHEREAS, the SOA supports efforts to commercialize Alaska's gas; and

WHEREAS, as a result of the 2011 earthquake in Japan and its impact on the nuclear power facilities at Fukushima and the subsequent shut down of almost all nuclear power production in Japan, several Japanese prefectures are seeking long term LNG supplies as a replacement for nuclear energy; and

WHEREAS, REI was formed as an American corporation by Energy Resources Inc., a Japanese company, to explore the feasibility of purchasing natural gas from Alaska and to build liquefaction facilities for the purpose of exporting LNG to Japan; and

WHEREAS, REI determined that Alaska, because of its vast natural gas resources, stability and security of supply, geographic proximity, and long history of LNG supply to Japan, is a preferred candidate to be the source of additional supplies of LNG for Japan; and

WHEREAS, over the past three years, REI has conducted engineering and feasibility studies which indicate the viability of an Alaskan LNG export project, and has opened an office in Anchorage; and

WHEREAS, REI maintains an interest in the possibility of investing in upstream development activities in Alaska, including the Cook Inlet area and the North Slope area; including the Foothills area; and further by REI's efforts to introduce these upstream development opportunities to Japanese oil/gas industries, as well as Japanese governmental institutions (METI, JOGMEC and JBIC) under SOA support; and

WHEREAS, REI participated in the 2012 AGIA APP public solicitation of interest for pipeline capacity to transport natural gas from the North Slope to a liquefaction facility at tidewater in Alaska; and

WHEREAS, REI has already contacted many Japanese governmental and private entities who have shown a strong support and interest in purchasing gas from Alaska; and

WHEREAS, REI is investigating the possibility of the construction of additional LNG receiving terminals in Japan.

NOW, THEREFORE, the Parties agree to cooperate in the development of an Alaskan LNG export project as follows:

1. REI will share with SOA all non-proprietary and non-confidential studies it has conducted regarding the feasibility of an Alaskan LNG export project.
2. REI will report to SOA on its activities to organize markets and develop LNG receiving terminals in Japan.
3. The Parties agree to cooperate in the development of an LNG export project in the following areas: marketing, financing, ownership, development and acquisition of gas, domestic requirements and marine transportation of LNG.

4. As an initial step in promoting the marketing in Japan of LNG from Alaska, REI is developing a smaller LNG project (one million tons per annum) in the area of Cook Inlet, with the target of commencing deliveries prior to 2020. The SOA will work with REI to facilitate development of this project by providing a coordinated permitting system and potential partial financing through the Alaska Industrial Development and Export Authority (AIDEA).

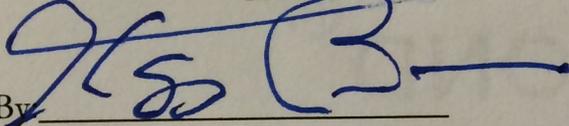
5. This Cooperation Agreement shall become effective on the Effective Date and shall have a term of one year, provided the Parties may extend or alter this agreement by mutual consent.

6. This Cooperation Agreement is subject to, governed by, and shall be interpreted in accordance with the laws of Alaska.

7. This Cooperation Agreement is nonexclusive. Neither Party is precluded by the Agreement from engaging in similar or non-similar agreements or projects with third parties. This Agreement in no way grants power of agency from one Party to the other, and neither Party may represent nor lead others to believe that it is responsible for the acts of the other Party or representing the other Party.

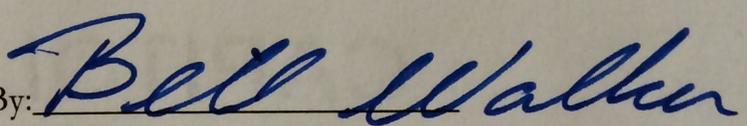
The Parties have caused this Cooperation Agreement to be executed as of the date first above written. Each person signing the Agreement hereby represents and warrants that he or she is authorized to execute and deliver this Agreement.

Resources Energy, Inc.

By: 

Shun Shimizu, President and CEO

State of Alaska

By: 

Bill Walker, Governor

Date: December 23, 2014